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**William J. Clinton**

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**Remarks on Medicare Prescription Drug Coverage**

*October 25, 1999*

Thank you very much. Thank you, Mr. Callus, Ms. Kayden, for your remarkable statements. Thank you, Secretary Shalala, for your steadfast leadership on this issue. I would like to welcome a very large number of Members of the United States Congress who are here: Senator Baucus and Senator Wyden; Representatives Abercrombie, Brown, Waters, Obey, Vento, and Hoyer; and Congressman Berry. And I would like to acknowledge the important work of two that are not here, Representatives Waxman and Allen, who have been particularly interested in this issue.

**Death of Senator John H. Chafee**

Before I go into my remarks, I would like to make a statement about the passing last night of Senator John Chafee of Rhode Island. Rhode Island and America have lost a great leader and a fine human being who, in 23 years in the Senate and in his service as Secretary of the Navy, always put his concern for the American people above partisanship.

When you think of the term bipartisan, you immediately think of John Chafee. Known throughout his beloved Rhode Island simply as "the man you can trust," Senator Chafee was a consummate statesman and patriot. He served with valor in war and peace. I am particularly grateful for his commitment to health care, his concern for the environment, and his devotion to our children, especially his work for foster care and child care.

John Chafee proved that politics can be an honorable profession. For him, civility was not simply a matter of personal manners. He believed it was essential to the preservation of our democratic system and the progress of our Nation. He embodied the decent center which has carried America from triumph to triumph for over 200 years. How we will miss him.

Today our thoughts and prayers are with his wonderful wife, Ginny, their five children, and their twelve grandchildren. And again, I want to say a special personal word of appreciation on behalf of Hillary and myself for the many kindnesses John Chafee extended to us and the many opportunities we had to work together.

**Prescription Drug Benefits**

Now, last January, in the State of the Union Address, I was able to give the American people a great report on our economy and the improving condition of our society, which now has the lowest unemployment rate in 29 years, the lowest welfare rolls in 30 years, the lowest poverty rates in 20 years, the lowest crime rates in 30 years, and the first back-to-back budget surpluses in 42 years.

In the State of the Union Address, I said as we approached the new century, we could look back on 100 years of Americans meeting the great challenges of the century we're about to leave—the Depression, civil rights, two World Wars, the cold war. And now, because of the good fortune we presently enjoy, we have the opportunity and the obligations to meet the great challenges that we know lie before us in the 21st century: to build one America out of our amazing diversity; to make America debt-free for the first time since 1835; to use this moment of prosperity to bring genuine economic opportunity to the people and places that have been left behind; to deal with the challenge of global warming; to meet the new security challenges of the 21st century, including the challenges of high-tech terrorism and weapons of mass destruction; to give the largest and most diverse group of children in American history a world-class education; and to meet the challenge of the aging of America.

We will double the number of people over 65 in just 30 years. There will be two people working for every one person drawing Social Security. This challenge would be truly daunting were it not for the fact that all of us, as a country, have worked so hard over the last 7 years to bring us to this moment of prosperity and to bring us to a point where we can predict long-term, consistent budget surpluses into the future which give us the means, if we have the will and vision, to deal with this challenge.

No one should have to make the kind of choices Mr. Callus and Ms. Kayden spoke of in their remarks in a country that has the strongest economy on Earth. No senior should have to forgo or cut back on lifesaving medication because of the cost. Neither should any senior be forced to get on a bus to Canada where the same medicines cost so much less. Just a couple of days ago, the Vice President held up an example of one of the most popular drugs for lowering cholesterol. In Canada, 60 tablets cost \$44; in New Hampshire, they cost \$102, if you're lucky. I think we can do better than that. It's wrong, and we have to deal with it.

We also have to deal with the fact that about three-quarters of our seniors simply don't have effective, affordable access to prescription drugs. We can afford to do something about it; we know what to do about it, and therefore, we have no excuse for inaction.

This debate over Medicare is more than about politics and budgets; it's about people, real people like Mr. Callus. You heard what he said. He said he was in pretty good shape, and I think that his speech verified that. *[Laughter]* But giving him and Americans like him all over the country the chance to live to the fullest of their God-given abilities, not only to live as long but to live as well as they can, is an important value that we all stand for.

For 34 years, Medicare has helped to achieve that value. And it has eased the financial burden on families who care for their loved ones. Before Medicare, nearly half of our seniors had no health care coverage at all.

Today, Medicare is truly at a crossroads. As Secretary Shalala said, when we took of-

fice the Trust Fund was supposed to expire this year. And thanks to the good work of the Congress and the people who operate the program and the people who administer the health care of the country, we've worked together and we got the life expectancy of the Trust Fund back to 2015. We've done it by combating fraud and making Medicare more efficient and investing some more funds. But we know we have to go further because it is simply not going to be enough to stay with the status quo.

This past June I gave the Congress a comprehensive and fiscally responsible plan to extend the life of Medicare to 2027, while at the same time modernizing it to keep pace with changes in our medical system and our medical needs. I proposed new innovations used now in private sector health care to keep quality high and costs lower. I said we should remove barriers to preventive tests for cancer, for diabetes, for osteoporosis, and other diseases. I said we should invest more money, not only to deal with some of the hardships caused by the savings in the Balanced Budget Act of 1997 but simply because there are going to be so many more people on Medicare over the next few years. And I want to say this again, no expert who has studied this has said we can deal with the challenge of Medicare without injecting more money into the system.

And finally, I called for adding a prescription drug benefit. Adding prescription drug coverage, as Secretary Shalala said, isn't just the right thing to do; it is the smart thing to do, medically, over the long run. Today, prescription drugs can accomplish what once could be done only through surgery, at far less pain and far less cost. We already pay for doctor and hospital benefits under Medicare, but we let many of our seniors go without prescription drugs and preventive screenings that could keep them healthy and keep them from having to undergo expensive treatment. It doesn't make sense.

Unfortunately, the Republican leadership in Congress has refused altogether to consider adding a prescription drug benefit, effectively rendering meaningful Medicare reform impossible this year. The Congress is joining with me to work to alleviate undue strain on hospitals, nursing homes, home

health agencies, and other providers—and that's a good thing—to alleviate some of the most severe burdens of the Balanced Budget Act.

But by ignoring the need for a prescription drug benefit, the Republican leaders are squandering a golden moment, leaving more than 13 million seniors without any prescription drug coverage and millions more with inadequate coverage, unreliable at best.

Now, in human terms, that means a lot. Think of the seniors on fixed incomes, like Mr. Callus, who are paying a couple of thousand dollars a year out of pocket. Think of men and women falling prey to illnesses because they can't afford proper doses of new miracle drugs that could easily keep them well. Asking them to wait for Medicare reform is like putting their lives on hold, and maybe into a lottery. It is unacceptable. It is unacceptable especially because it is so unnecessary. And I want you to know I don't intend to give up the battle until it is won.

And the good news is, because I vetoed the tax bill that would have taken away all the money to fix Medicare, we can still win it.

First, let's set the record straight. One of the key reasons no action was taken on prescription drugs this session was because the pharmaceutical industry spent millions of dollars on an all-out media campaign filled with flatout falsehoods. In ads featuring a fictional senior named Flo—[laughter]—the special interests say that our Medicare proposal—and I quote—“would put big Government in your medicine cabinet.”

I might point out that even though we do, thanks to the leadership of these people, have the smallest Federal Government since 1962, it's still not small enough to get in your medicine cabinet. [Laughter]

It says—and I quote—“all seniors will be forced into a Government-run plan.” The truth is, under our plan, there are no Government restrictions of any kind. Doctors would be able to prescribe any needed drug for any patient at any time, and the benefit would be purely voluntary, completely optional. If seniors want to keep their current coverage, they're perfectly free to do so.

We cannot stand by and watch the pharmaceutical industry go on and distort this de-

bate. We have to expose these deceptions and give the American people the facts. I wish they'd spend this ad money explaining why seniors have to get on the bus and go to Canada to buy drugs at less than half the price they can buy them in America, when the drugs are made in America with the benefit of the American system and American research and American tax systems. I wish they would spend their advertising money explaining that to the American people.

I guess if you've got a weak case, the best thing to do is change the subject. [Laughter] But I would like for Flo to get on TV and tell me about that. I'm sure she could explain it. [Laughter] And it would be so enlightening to us. [Laughter] Meanwhile, the rest of us are going to keep on talking about expanding access to affordable prescription drugs.

Another thing I don't understand is, I know they're worried that if we buy drugs in bulk the way the private sector does, that their profit per package of drugs will be smaller. But if we cover all the seniors, the volume will be so much greater, they will make more money. Do you remember when Medicare came in? All the people were saying, “Oh, my goodness, the people providing health care are going to go broke.” But they didn't.

The pharmaceutical companies are going to do fine under this. We're not going to have the Government try to take them over. We're not going to have a big price control system. But we ought to be able to bargain to get American seniors a decent deal. And the volume, the increase in volume will more than offset the better prices that large purchases get.

Besides that, old Flo's up there arguing for keeping 13 million seniors, just like her, from having any access to any drugs. Bet she wouldn't be making that ad if she had found herself in the same position.

So this is really important. Look, all these issues are complicated. We're a big, grownup country; we don't have to have bogus ads out there confusing people about what the truth is. This is a matter of life or death. Everybody this man's age, who has the ability to be standing and talking and being what he was

up here today, ought to have the same chance. That's what we believe.

Now, beyond dealing with the ad campaign to illustrate that the failure to add a prescription drug benefit has actual consequences, I am going to gather clear and indisputable evidence of what this failure costs in physical and financial terms. Today I'm directing Secretary Shalala to produce a sweeping study—the first of its kind—to examine prescription drug costs in America. In 90 days she will present me with an analysis of what the most commonly prescribed drugs cost for those with and without coverage to help assess whether people without coverage are paying too much. The analysis will also report on trends in drug spending by age and by income to help us document the increasing toll high drug costs are taking on our seniors, on people with disabilities, and on their families.

Combined with a State-by-State analysis on our seniors' prescription drug needs, which I've already ordered, the new cost study should help to lay the foundation for a more informed debate in the coming year.

Finally, as part of the plan to safeguard the Social Security surplus, tomorrow I will send to Congress legislation that would reserve a third of the non-Social Security surplus—the non-Social Security surplus—all of which would be gone if I hadn't vetoed the tax cut bill—[laughter]—that would reserve a third of this for extending the solvency of Medicare and for funding a prescription drug benefit.

Now, I stand ready to work with Congress across party lines on crafting a Medicare reform plan that has the best chance of gaining bipartisan support. But even if Congress won't pass the Medicare modernization plan this fall, it can and should adopt at least a proposal for protecting the Social Security surplus.

I challenge Congress to pass this legislation as part of the final budget negotiations now underway, to ensure that Social Security and Medicare will have the resources they need to meet the challenges in the new century.

Let me just say what the difference in my proposal is and the proposal of the Republican majority. Anybody under any cir-

cumstances who saves the Social Security surplus gives America one big benefit, which is, if we don't spend the Social Security surplus, we pay down more of the debt every year; interest rates stay lower; the economy grows more. Our two plans have that in common.

The difference is that under my plan, starting at about 10 years, we will take the interest savings we get from reducing the debt from the Social Security surplus and put it into the Social Security Trust Fund, which will take the Trust Fund out to 2050 and go beyond the life expectancy of the baby boom generation. That's the big difference.

If you just save the Social Security surplus, if you don't do anything else, it doesn't add to the life of the Social Security Trust Fund. Because all those years, from 1983 forward, when the deficit was made to look smaller because we were spending the Social Security surplus—the Social Security surplus got a Government bond and it gets the money back, and it pays the seniors. So if you want to do something meaningful for the baby boom generation, it's not enough to save the Social Security surplus. You've got to take the interest savings you get on the budget from saving the surplus and put it into Social Security, so you add to the life of the Social Security Trust Fund.

So we have a lot more work to do, even though we're already in the last week of October. Congress still has not done a lot of things. Because they have not taken action to protect the privacy of medical records, I will use the power of my office to do that in the coming days. I think that's a very important issue. But there are other agreements we have to make before we can end this year. Congress made a commitment last year, which I applauded, a bipartisan commitment, to 100,000 more teachers in our schools to reduce class size and paid for 30,000 of them. Now they want to totally undo it. I think it's wrong.

They have not yet given our families the vital protections of a Patients' Bill of Rights. They took the hate crimes legislation out of the legislation that they've sent me to fund the Justice Department. They have not yet raised the minimum wage. And they have not yet fixed the flawed system that prevents

people with disabilities from going to work. All those things can be done in the next few weeks, and we intend to work hard to see that they are done.

But let me close again with the subject that brought us here today. Colleen Kayden came here and spoke about her experience as a pharmacist. She also spoke for every pharmacist and every community pharmacy in America. Stephen Callus came here and talked about his life. He could have been speaking for millions upon millions of seniors.

Time is passing here, and I want to get back to the point I made at the beginning. I hope to be one of those baby boom seniors one day—and it's getting there in a terrible hurry—[laughter]—but I have lived, already, quite a good number of years. Never in my lifetime has this country had the opportunity we now have—free of war, free of internal discord—to chart a course for the future that will embrace all Americans and that will consciously deal with the great challenges before us.

Only once in my lifetime have we had an economy that approximated this economy. That was in the early sixties—but we had to deal with the civil rights challenge and with the Vietnam war. We have never had an economy like this and, basically, the freedom within our own hands to just chart a course for the future. And there are some things that we know are going to be out there, including how many kids we're going to have and what their different backgrounds are; and how many seniors we're going to have and what their absolutely certain health challenges will be. And we absolutely have no conceivable excuse for walking away from the chance of a lifetime to build the century of our dreams.

Thank you very much.

NOTE: The President spoke at 10:55 a.m. in Presidential Hall (formerly Room 450) in the Old Executive Office Building. In his remarks, he referred to Medicare recipient Stephen Callus, who introduced the President; and pharmacist Colleen Kayden.

## **Remarks on Departure for New York City and an Exchange With Reporters**

*October 25, 1999*

### **Federal Budget**

**The President.** Last February I sent to the Congress a balanced budget that maintains our fiscal discipline, pays down the debt, saves Social Security, strengthens and modernized Medicare with a prescription drug coverage, and meets our most pressing priorities—putting 100,000 teachers in the classroom, another 50,000 community police on our street, protecting the environment, and strengthening our national security. And everything in the budget I sent is paid for without touching a penny of the Social Security surplus.

Unfortunately, the congressional majority has rejected the approach I recommended. And so, in the 8 months since I sent them the balanced budget, they have failed to produce a budget of their own that meets our Nation's priorities and values. Instead, they have tried one thing after another, one unsuccessful scheme after another, to meet the budget priorities.

Now the majority wants an arbitrary across-the-board cut in all Federal investment. The plan would cut military recruiting and, according to the Department of Defense, would cut as many as 70,000 men and women from our Armed Forces. Their plan would cut off thousands of children from the benefits of Head Start, cut childhood immunizations and our cleanup of toxic waste. It would do something they have pledged not to do. With all these cuts, it would still spend the Social Security surplus, as their own Congressional Budget Office has said it would do.

And yet, in spite of this, Congress has seen fit to fund its own pork-barrel projects, like a ship the Pentagon says it doesn't need and aircraft it didn't ask for. They've found a way to fund corporate welfare for oil companies and other special interests and to fund their own pay raise.

Now, the American people sent us here to make tough choices. But these are the